

Message Text

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PAGE 01 MANAGU 03524 261547Z

43

ACTION INT-05

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 FEAE-00 TRSE-00

AGR-05 XMB-02 IGA-02 AID-05 PRS-01 CIAE-00 INR-07

NSAE-00 /041 W

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R 261459Z JUL 76

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 698

INFO AMEMBASSY GUATEMALA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L MANAGUA 3524

E.O. 11652: N/A

TAGS: ENRG, EWWT, EINV, NU

SUBJECT: SAN JUAN RIVER BASIN PROJECT

REF: MANAGUA MEMO 6/18/75

1. EMBOFF MET WITH WAYNE HALLIDAY OF THE U.S. BUREAU OF RECLAMATION YESTERDAY. U.S. BUREAU OF RECLAMATION IS DOING PRE-FEASIBILITY STUDY OF RIO SAN JUAN RIVER BASIN HYDROELECTRIC AND WATERWAY PROJECT, UNDER CONTRACT TO IDB. DEVELOPING THE HYDROELECTRIC AND TRANSPORTATION POTENTIAL OF THE SAN JUAN HAS FOR MANY YEARS BEEN BILLED AS A MAJOR PROJECT FOR NICARAGUA.

2. HALLIDAY MENTIONED THAT HE AND HIS TEAM WILL ISSUE A VERY NEGATIVE REPORT IN A FEW MONTHS, STATING THAT THE 300 MEGAWATT POWER PROJECT IS SIMPLY NOT FEASIBLE. GEOLOGIC CONDITIONS DO NOT MDALLOW THE CONSTRUCTION OF A SAFE DAM ACROSS THE SAN JUAN, CAPABLE OF HOLDING BACK THE HUGE BODY OF WATER THAT WOULD FILL THE SAN JUAN RIVER BASIN AND LAKE NICARAGUA. FURTHERMORE, THE TOPOLOGY OF THE LAND WOULD REQUIRE MILES OF DIKES TO PREVENT THE DAM FNOM
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PAGE 02 MANAGU 03524 261547Z

FLOODING EXCESSIVE LANDS IN COSTA RICA. CONSERVATIVELY ESTIMATED

THE SAN JUAN PROJECT, IF THE GON INSISTED ON BUILDING A RELATIVELY SAFE DAM AND THE NEEDED DIKES, WOULD COST AT LEAST ONE BILLION DOLLARS. ORIGINALLY A FIGURE OF ONE HUNDRED AND FIFTY MILLION DOLLARS WAS MENTIONED AS THE LIKELY COST.

3. HALLIDAY AND HIS STAFF WILL APPRAENTLY COME OUT WITH A STRONG AND WELL DOCUMENTED REPORT IN ORDER TO LEAVE NO DOUBT ABOUT THEIR FINDINGS. IN THE MEANTIME HALLIDAY REQUESTS THAT THE INFORMATION REMAIN CONFIDENTIAL IN ORDER TO PREVENT ANY CONTROVERSY BEFORE THE FINAL DOCUMENTED STUDY IS RELEASED. THIS NEGATIVE STUDY COULD COME AS A BLOW TO SOME LOCAL OFFICIALS WHO LOOKED TO THE SAN JUAN RIVER PROJECT AS ONE OF NICARAGUA'S MAJOR DEVELOPMENT PROJECTS. THEBERGE

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Message Attributes

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